

GOVERNOR KAINÉ ANNOUNCES THE AWARD OF \$10 MILLION IN FUNDS FOR THE BIOMASS ENERGY GRANT PROGRAM

~ Virginia Biomass Energy Projects Funded by the American Recovery and Reinvestment Act (ARRA) ~

January 14, 2010

MARTINSVILLE – Governor Timothy M. Kaine today announced that \$10 million from the American Recovery and Reinvestment Act (ARRA) State Energy Program is being awarded for 15 biomass and waste-to-energy projects. These grants will support \$110 million in private investments statewide. The Department of Mines, Minerals and Energy administers the ARRA funds for energy related projects.

“The best way to strengthen our economy is to invest in projects that will create jobs while setting the Commonwealth up for future success,” said Governor Kaine. “The development of alternative energy sources is particularly important as a way to grow our economy and reduce energy costs at a time Virginians need it most. These grants will support projects that offer a much needed boost to communities throughout Southside and Southwest Virginia today while paving the way to a greener, cleaner tomorrow.”

Governor Kaine made the announcement today at the Virginia Museum of Natural History in Martinsville . He was joined by Rep. Tom Perriello and Mayor Kathy Lawson of Martinsville .

“Southside Virginia can use its rich agricultural history to become the future clean energy capital of the country. These investments are a major down payment on that vision,” said Rep. Perriello. “These Recovery Act funds for Virginia-made energy are not only short-term boosts for the local economy, but long-term investments in our region’s competitive advantage.”

The use of waste materials from logging, manufacturing, agricultural, or municipal operations, as well as energy crops and other biomass fuels will provide a significant economic benefit to the Commonwealth. This can also help reduce the use of traditional fuels, reduce waste disposal costs and other environmental impacts, and provide additional revenue crops for farmers and loggers.

The Biomass Energy Grant Program awardees are:

- Cephas Industries, Inc., of Richmond , will receive \$500,000 (of a \$2.3 million project) to develop an operation for converting construction and demolition wastes-to-fuel, supporting 35 staff persons.

- Christiansburg Water Treatment Facility, will receive \$336,550, (of a \$486,550 project) to process methane gas from water treatment operations, to generate heat and power and will save the Town \$32,000 per year in electricity costs.
- Community Energy Independence, will receive \$827,102 (of a \$50 million project) to complete the engineering, permitting, and project development for a landfill gasification project at the Corral Farm Landfill, near Warrenton, in Fauquier County .
- Dairy Energy, Inc., the state's 3rd largest dairy farm milking 1,000 dairy cows, will receive \$1million to install the state's first commercially-sized dairy anaerobic digester project, in Chatham .
- Environmental Solutions, Inc., of the Chesterfield County Sustainability Park, will receive \$500,000 (of a \$2.4 million project), to expand a biomass fuel production and fiber utilization operation, creating 25 jobs.
- Wood Fuel Developers, will receive \$1 million (of a \$15.9 million project) to create the Greenville Wood Pellets production facility, in Greenville County , creating 39 jobs.
- Martinsville Sanitary Landfill, will receive \$1 million (of a \$3.4 million project) to utilize landfill gas to generate 1.5 MW of electricity, to meet approximately 3.5% of the City's annual need, and create 3 jobs.
- Piedmont Geriatric Hospital, in Burkesville, Nottoway County, will receive \$700,000, (of a \$1.7 million project) to support the fuel handling system, boiler controls, and fuel storage facility for biomass boiler project at the hospital.
- Red Birch Energy, Inc., of Bassett, Virginia , will receive \$750,000 (of a \$1.2 million project), to utilize glycerin, a waste-product of their biodiesel production process, to power a microturbine to generate electricity.
- Western Virginia Water Authority, will receive \$500,000 to install a combined heat and power generation system at the Roanoke Regional Water Pollution Control Plant, in the City of Roanoke , beneficially utilizing excess biogas produced in the anaerobic sludge digestion process. This project will use the heat from the CHP process to heat and cool the buildings at the facility and generate 8 million kilowatt hours per year, offsetting 40% of the facility's power needs, and resulting in 8 construction jobs and 2 permanent full-time staff positions.
- Rockingham Regional Hospital, in Harrisonburg, will receive \$583,848 (of a \$876,168 project) to install or retrofit 3 boilers to heat and provide hot water at the main hospital and Women's Health Center, all to be fueled by methane gas generated by the nearby

landfill. This project should result in \$250,000 per year in energy savings.

- Toigo's King George Greenhouse, will receive \$1 million (of \$19.1 million project), to install a heat recovery steam generator at the King George Landfill and pipe the steam to heat the greenhouse. This project will avoid use of 430,000 gallons of heating oil and create over 100 full-time jobs.
- Wise Correctional Unit 18, in Coeburn, Virginia , will receive \$60,000 (of an \$83,000 project) for the installation of an 800,000 btu biomass boiler which will provide heat for 2 greenhouses, and VDOT offices and garage. The wood chips to fuel the boiler will come from VDOT right-of-way clearings and from prunings of an on-site orchard at the Correctional Unit. Offender labor will be used to build and operate this facility.
- Women's Correctional Center, in Goochland County, in Goochland County, will receive \$942,500 (of a \$1.1 million project), to install biomass boilers and upgrades, converting 2 boilers to be co-fueled with biomass and coal and 1 boiler to burn biodiesel. Use of biomass in these boilers will stimulate the wood fuels market in Virginia , and is projected to save \$495,000, annually, over use of traditional fuels.
- Ag-Renewable Resources, LLC, in Cumberland County, will receive \$300,000 (of a \$7.8 million project), to construct a first of its kind in Virginia anaerobic digester to use poultry waste to generate methane and generate 1.1 megawatt of electricity. The project will also produce 14 metric tons per day of treated solids that can be used for agricultural fertilizer. The project will result in new construction jobs and two permanent, full-time jobs to run the facility.

Today's announcement comes as Governor Kaine continues to move his "Renew Virginia" initiative, a series of legislative and executive actions focused on promoting renewable energy, creating green jobs, and encouraging preservation of the environment in the Commonwealth.

For more information on Renew Virginia , visit www.governor.virginia.gov .

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